Ucore Announces Closing of First Tranche Private Placement

written by Raj Shah | July 27, 2023

July 27, 2023 (Source) – **Ucore Rare Metals Inc.** (TSXV: UCU) (OTCQX: UURAF) **(**"**Ucore**" or the "**Company**") is pleased to announce that it has closed the first of two tranches (the "**First Tranche**") of its previously announced private placement offering (the "**Offering**") of units of the Company (the "**Units**"), pursuant to which the Company issued 4,409,500 Units at a price of $1.00 per Unit (the "**Offering Price**") for aggregate gross proceeds of $4,409,500. The Company expects to complete the second tranche of the Offering (the "**Second Tranche**") on or about July 28, 2023.

The brokered portion of the First Tranche was led by Research Capital Corporation, as lead agent and sole bookrunner, on behalf of a syndicate of agents that included Canaccord Genuity Corp. and Echelon Wealth Partners Inc. (collectively, the "**Agents**").

Each Unit is comprised of one common share in the capital of the Company (each, a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder to purchase one Common Share at an exercise price of $1.25 per Common Share for a period of 36 months following the closing date of the First Tranche (the "**First Closing Date**").

The Company plans to use the net proceeds of the Offering for the following: (i) completing the commission trials at the Company's RapidSX™ rare earth element ("**REE**") commercial

demonstration plant located in Kingston, Ontario (the "**Demo Plant**"); and (ii) working capital purposes.

In connection with the First Tranche, the Agents received an aggregate cash fee equal to $192,790. In addition, the Company issued to the Agents 192,790 non-transferable compensation options (the "**Compensation Options**"). Each Compensation Option entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 36 months following the First Closing Date.

In addition, pursuant to an advisory agreement between the parties, the Company has also paid the Agents an advisory fee of $15,375, plus applicable taxes. In addition, the Agents received 15,375 advisory fee Compensation Options to purchase an equal number of Units, subject to adjustment in certain circumstances, at the Offering Price for a period of 36 months following the First Closing Date.

The Units issued under the First Tranche were offered to purchasers pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"). The Units are not subject to resale restrictions pursuant to applicable Canadian securities laws. The Compensation Options are subject to a statutory four-month hold period pursuant to applicable Canadian securities laws. The Offering remains subject to the final approval of the TSX Venture Exchange (the "**TSXV**").

A certain insider of the Company purchased a total of 200,000 Units ("**Insider Units**") for gross proceeds to the Company of approximately $200,000 under the First Tranche, which is considered a related party transaction within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Full details of

this transaction will be disclosed on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca and in an early warning press release and an early warning report available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. The First Tranche is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the First Tranche, nor the consideration paid, exceed 25% of the Company's market capitalization. No new insiders and no control persons were created in connection with the closing of the First Tranche. The Insider Units will be subject to the TSXV's four month "Exchange Holder Period" as defined in Policy 1.1.

The Offering (including the First Tranche) was approved by all of the independent directors of the Company. The number of Common Shares potentially issuable to insiders of the Company pursuant to the Offering (including any Common Shares issuable upon the exercise of the Warrants) represent not more than 10% of the Company's currently issued and outstanding Common Shares on a non-diluted basis.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, as amended, and applicable state securities laws.

About Ucore Rare Metals Inc.

Ucore is focused on rare- and critical-metal resources, extraction, beneficiation, and separation technologies with the potential for production, growth, and scalability. Ucore has an effective 100% ownership stake in the Bokan-Dotson Ridge REE project in Southeast Alaska, USA (the "**Bokan Project**"). Ucore's vision and plan is to become a leading advanced technology company, providing best-in-class metal separation products and services to the mining and mineral extraction industry.

Through strategic partnerships, this plan includes disrupting the People's Republic of China's control of the North American REE supply chain through the near-term development of a heavy and light rare-earth processing facility in the US State of Louisiana, subsequent Strategic Metals Complexes ("**SMCs**") in Alaska and Canada and the longer-term development of Ucore's heavy-rare-earth-element mineral-resource property at Bokan Mountain on Prince of Wales Island, Alaska, USA.

Ucore is listed on the TSXV under the trading symbol "UCU" and in the United States on the OTC Markets' OTCQX® Best Market under the ticker symbol "UURAF".

For further information, please visit www.ucore.com/corporateupdate.

About RapidSX™ Technology

Innovation Metals Corp. ("**IMC**") developed the RapidSX™ separation technology platform with early-stage assistance from the United States Department of Defense ("**US DoD**"), later resulting in the production of commercial-grade, separated rare-earth elements at the pilot scale. RapidSX™ combines the time-proven chemistry of conventional solvent extraction ("**SX**") with a new column-based platform, which significantly reduces time to completion and plant footprint, as well as potentially lowering capital and operating costs. SX is the international REE

industry’s standard commercial separation technology and is currently used by 100% of all REE producers worldwide for bulk commercial separation of both heavy and light REEs. Utilizing similar chemistry to conventional SX, RapidSX™ is not a “new” technology but represents a significant improvement on the well-established, well-understood, proven conventional SX separation technology preferred by REE producers.

Forward-Looking Statements

This press release includes certain statements that may be deemed “forward-looking statements”. All statements in this release (other than statements of historical facts) that address future business development, technological development and/or acquisition activities (including any related required financings), timelines, events, or developments that the Company is pursuing are forward-looking statements, including without limitation statements with respect to: the timing and completion of the Second Tranche; the intended use of proceeds from the Offering; the exercise of the Warrants; the receipt of any regulatory approvals, including the final approval of the TSXV; and future capital requirements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance or results, and actual results or developments may differ materially from those in forward-looking statements.

Regarding the disclosure in the press release above, the Company has assumed, among other things, that it will receive the final approval of the TSXV in regard to the Offering and the issuance of the Units in connection therewith. If the TSXV objects or does not provide its approval for either of the transactions contemplated hereby, then the Company will have to negotiate revised terms with the applicable counterparties, and there is

no assurance that the parties will reach an agreement that is acceptable to the Company. Regarding the disclosure that is in the "About Ucore Rare Metals Inc." and "About RapidSX™ Technology" sections above, the Company has assumed that it will be able to procure or retain additional partners and/or suppliers, in addition to IMC, as suppliers for Ucore's expected future SMCs. Ucore has also assumed that sufficient external funding will be found to complete the Demo Plant commissioning and demonstration schedule and also later prepare a new National Instrument 43-101 technical report that demonstrates that the Bokan Project is feasible and economically viable for the production of both REE and co-product metals and the then prevailing market prices based upon assumed customer offtake agreements. Ucore has also assumed that sufficient external funding will be secured to continue the development of the specific engineering plans for the SMCs and their construction. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation: IMC failing to protect its intellectual property rights in RapidSX™; RapidSX™ failing to demonstrate commercial viability in large commercial-scale applications; Ucore not being able to procure additional key partners or suppliers for the SMCs; Ucore not being able to raise sufficient funds to fund the specific design and construction of the SMCs and/or the continued development of RapidSX™; adverse capital-market conditions; unexpected due-diligence findings; the emergence of alternative superior metallurgy and metal-separation technologies; the inability of Ucore and/or IMC to retain its key staff members; a change in the legislation in Louisiana or Alaska and/or in the support expressed by the Alaska Industrial Development and Export Authority (AIDEA) regarding the development of the Bokan Project; the availability and procurement of any required interim and/or long-term financing that may be required; and general economic, market or

business conditions.

Neither the TSXV nor its Regulation Services Provider (as that term is defined by the TSXV) accept responsibility for the adequacy or accuracy of this release.

SOURCE Ucore Rare Metals Inc.

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